

VZCZCXRO5631  
PP RUEHDE RUEHDIR  
DE RUEHMK #0535 2201403  
ZNY CCCCC ZZH  
P 071403Z AUG 08  
FM AMEMBASSY MANAMA  
TO RUEHC/SECSTATE WASHDC PRIORITY 8046  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY  
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0268  
RUEATRS/TREASURY WASHDC PRIORITY  
RHEVAKS/COMUSNAVCENT PRIORITY  
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY

C O N F I D E N T I A L MANAMA 000535

SIPDIS

BAGHDAD FOR AMBASSADOR ERELI

E.O. 12958: DECL: 08/07/2018

TAGS: [ECON](#) [EFIN](#) [BA](#)

SUBJECT: BAHRAIN COMMITTED TO CURRENCY PEG, RESIGNED TO  
INFLATION

REF: MANAMA 521

Classified By: CDA Christopher Henzel for reasons 1.4 (b) and (d)

- 1.(C) Summary: Bahrain,s Central Bank governor said he would not take any actions to counter inflation, and that the GOB would limit itself to
- 2.(C) Central Bank of Bahrain (CBB) governor Rasheed al-Maraj told econoff August 6 that the CBB would not take any actions to counter growing
- 3.(C) Speaking on GOB fiscal policy, Maraj said there is enormous pressure to capitalize on high oil prices to fund public projects, and that t
- 4.(C) Maraj said that the GOB has decided to not/not fight inflation and instead will try to address the felt effects of rising prices by recor